Expansion plan of Visakhapatnam Steel Plant

2092. SHRI S.M. LALJAN BASHA: Will the Minister of STEEL be pleased to state:

(a) whether Government has approved costly plan for the expansion of the Visakhapatnam Steel Plant;

(b) the details of such plans for the next three years;

(c) whether the international market and export trends have been carefully assessed and incorporated into the risks inherent in huge investments;

(d) whether the VS.P. is dependent on continued demand only from China;

(e) the steps proposed to assess the potential returns on the huge investment being planned by the Visakhapatnam Steel Plant; and

(f) the source of funds for investment?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) and (b) The Government in October, 2005 has approved the expansion plan of Visakhapatnam Steel Plant (VSP) at an estimated cost of Rs. 8692 crores (base June, 2005 prices) for increasing its liquid steel capacity from 3 million tonnes to 6.3 million tonnes per annum by the year 2009.

(c) While considering the proposal for expansion, an assessment has been made in respect of the international market, export trends and internal consumption *vis-a-vis* the projected rate of return on the investment.

(d) No sir.

(e) and (f) Assessment of returns on the investment for Expansion Phase-I has already been made in the Project Report. The entire capital cost of the expansion plan will be met by the VSP from internal resources and extra budgetary resources at an incremental debt-equity ratio of 1:1.

Availability of iron ore to steel industry

2093. SHRI DHARAM PAL SABHARWAL:
SHRI C. RAMACHANDRAIAH:

Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the High Powered Consultative Panel has recently decided to
recommend to the Ministry of Mines for the availability of iron ore to steel industry on priority basis so that steel industry should not suffer on account of delays and difficulties in allocation of captive mines;

(b) if so, what are the complete details in this regard and the action taken on the recommendation of the Consultative Panel;

(c) whether the Consultative Panel has also urged to bring in speed breakers to regulate the unbridled export of iron ore; and

(d) if so, the details thereof and the action taken on the recommendation by Government?